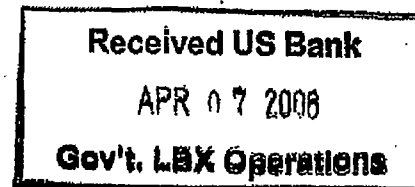


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WC 08-54

STAMP AND RETURN

Before the
Federal Communications Commission
Washington, DC 20554



In the Matter of)

IT&E OVERSEAS, INC.,)
Assignor)

and)

PTI PACIFICA INC.,)
Assignee)

Application for Assignment of Domestic and)
International Authority Under Section 214 of)
the Communications Act, as Amended)

File No. ITC-ASG-_____

WC Docket No. _____

To: International Bureau
Wireline Competition Bureau

**JOINT INTERNATIONAL AND DOMESTIC SECTION 214 APPLICATION FOR
CONSENT TO ASSIGNMENT/ACQUISITION OF ASSETS**

Pursuant to Section 214 of the Communications Act of 1934, as amended (the "Act"), 47 U.S.C. § 214, and Sections 63.04, 63.12 and 63.24(e) of the rules, 47 C.F.R. §§ 63.04, 63.12 and 63.24(e) of the Commission's Rules, IT&E Overseas, Inc. ("IT&E" or "Assignor"), and PTI Pacifica Inc. ("PTI Pacifica" or "Assignee") (together "Applicants"), seek the consent of the Federal Communications Commission ("FCC" or the "Commission") for the assignment of international and domestic Section 214 authority from IT&E to PTI.¹ A Domestic Section 214 Supplement, containing the information required by 47 C.F.R. § 63.04, is attached hereto as Exhibit A.

In support of this Application, the Applicants submit the following information:

¹ IT&E holds international Section 214 authorization ITC-214-19970326-00172.

I. THE APPLICANTS

Assignee – PTI Pacifica Inc. (FRN 0004339933). Assignee PTI Pacifica is incorporated in the Commonwealth of the Northern Mariana Islands (“CNMI”).² PTI Pacifica is a wholly-owned subsidiary of another CNMI corporation, The Micronesian Telecommunications Corporation (“MTC”), which is the incumbent local exchange carrier in the CNMI. MTC in turn is wholly-owned by another CNMI corporation, Pacific Telecom Inc. (“PTI”). PTI is majority-owned (75%) by Prospector Investments Ltd. (“Prospector”), a company organized under the laws of the Cayman Islands, British West Indies. Prospector is owned by two related individuals. Ricardo C. Delgado, a citizen of the Philippines, holds a 60% equity and voting interest in Prospector; and his son Jose Ricardo Delgado, also a citizen of the Philippines, holds a 40% equity and voting interest in Prospector. The remaining ownership interests in PTI are held by Sumitomo Corporation (20%), a company organized under the laws of Japan, and its wholly-owned subsidiary, Sumitomo Corporation of America (5%), a U.S. company. This ownership structure is described generally in the FCC Order granting PTI Pacifica (then known as GTE Pacifica, Inc.) a PCS license covering both CNMI and Guam.³ Attached as Exhibit B is a diagram depicting PTI Pacifica’s current ownership structure.

² The CNMI is a self- governing Commonwealth in political union with and under the sovereignty of the United States of America, consisting of fourteen islands, the largest inhabited islands of which are Saipan, Rota and Tinian. The CNMI is located north of Guam in the Micronesia area of the eastern Pacific Ocean, over 5,000 miles from the mainland U.S.

³ *Application of Bell Atlantic New Zealand Holdings, Inc., Assignor, and GTE Pacifica, Inc., Assignee, for the Assignment of Personal Communications Service (PCS) License WQCV808 (MTA 050)*, DA 06-2197, 21 FCC Rcd 12097 (2006) at ¶ 17. Subsequent to the 2006 Order, Sumitomo Corporation assigned 5% of PTI to its wholly-owned subsidiary, Sumitomo Corporation of America.

Assignor – IT&E Overseas, Inc. (FRN 0003244665). Founded in 1979, IT&E is a U.S. corporation headquartered in Guam that began providing direct dialing service to Guam residents in 1983. IT&E currently provides interstate and international long distance service (pre-subscribed and calling card) in Guam and CNMI and competitive local exchange (“CLEC”) service in Guam. IT&E’s FCC authorizations include PCS licenses on Guam and CNMI, an earth station license on Guam, LMDS licenses for CNMI and Guam, private microwave licenses on Guam, and an international Section 214 authorization. The parties are filing separate applications for these various authorizations.

II. DESCRIPTION OF THE TRANSACTION

As noted above, this application is part of a larger transaction in which Pacific Telecom Inc. (“Pacific Telecom”), PTI’s indirect, corporate parent, proposes to buy the telecommunications assets of IT&E, including IT&E’s FCC authorizations, infrastructure, and subscriber bases.⁴ The instant application seeks Commission consent for PTI Pacifica to acquire the domestic wireline and international customers of IT&E. The customer notice procedures of Section 64.1120(e) of the Commission’s rules will be satisfied prior to the acquisition, and the transaction will be seamless to customers. For the reasons set forth below, the Parties respectfully submit that Commission approval of the proposed transaction will serve the public interest, convenience and necessity.

III. PUBLIC INTEREST STATEMENT

The Applicants respectfully submit that the Transaction described herein will serve the public interest. Commission approval of the proposed transaction will enable PTI Pacifica to

⁴ PTI intends to honor IT&E’s existing customer contracts, and to provide advance customer notification of the proposed ownership change. Thus, this transaction does not raise significant customer transition issues.

make substantial investments in IT&E's telecommunications business, further strengthening PTI Pacifica's ability to vigorously compete in the Guam and CNMI markets. In addition, FCC approval will allow PTI Pacifica to realize significant economies of scale, allowing it greater flexibility to respond quickly to changing market conditions in order to better serve its customer base.

Further, IT&E and PTI Pacifica have a miniscule share of the overall U.S. domestic interstate interexchange market and are regulated as nondominant in that market. The Commission has already determined that combinations between nondominant carriers resulting in less than 10 percent market share of the interstate interexchange market are "extremely unlikely [to] result in a public interest harm" and "unlikely to raise public interest concerns."⁵

With respect to the international services market, approval of the proposed transaction (i) will promote and preserve competition in the international telecommunications marketplace and (ii) will ensure that PTI Pacifica has the necessary authority to continue to offer seamless international services to its customers. The Transaction poses no risk of anticompetitive impact on the U.S. international telecommunications marketplace as PTI Pacifica will continue to hold only a miniscule share of the U.S. international telecommunications market. Further, the Commission's principal concern for "the exercise of foreign market power in the U.S. market" is that such market power "could harm U.S. consumers through increases in prices, decreases in quality, or reductions in alternatives in end user markets."⁶ As the Commission explained further, "generally, this risk occurs when a U.S. carrier is affiliated with a foreign carrier that has

⁵ *Id.* at ¶ 30 (citing to U.S. Dept. of Justice and Federal Trade Commission Horizontal Merger Guidelines, § 1.51 n.18).

⁶ *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market; Market Entry and Regulation of Foreign-Affiliated Entities*, Report and Order and Order on Reconsideration, 12 FCC Rcd. 23891, 23951-54 (1997).

sufficient market power on the foreign end of a route to affect competition adversely in the U.S. market.”⁷ As discussed herein, PTI Pacifica does not currently have any affiliations with foreign carriers. For these reasons as well, consumers clearly will not be harmed by the Transaction.

Grant of this application also will address potential national security and law enforcement concerns as PTI Pacifica, on behalf of its parent company MTC and MTC’s parent company Pacific Telecom Inc., requests that the FCC condition grant of the application on PTI Pacifica’s compliance with the terms of the Agreement between MTC and Pacific Telecom Inc., and the U.S. Department of Justice, Federal Bureau of Investigation, U.S. Department of Defense, and U.S. Department of Homeland Security dated October 6, 2003.⁸ This request is made in compliance with Section 7.2 of that Agreement, and copies of this application are being forwarded to these agencies.

Finally, separate from this application, a petition has been filed seeking a declaratory ruling that it would serve the public interest under the foreign ownership provisions of Section 310(b)(4) of the Act to permit PTI Pacifica to acquire a common carrier earth station license on Guam and common carrier LMDS licenses on Guam and CNMI. A copy of this petition is attached as an exhibit to the Form 312 application to assign the earth station license and the Form 603 application to assign the LMDS licenses.

⁷ See *id.*

⁸ See *Bell Atlantic New Zealand Holdings, Inc., Transferor and Pacific Telecom Inc., Transferee, Applications for Consent to Transfer Control of a Submarine Cable Landing License, International and Domestic Section 214 Authorizations, a Cellular Radiotelephone License, Common Carrier and Non-Common Carrier Satellite Earth Station Licenses, and a Petition for Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act*, Appendix B, 18 FCC Rcd 23140 (2003).

IV. SECTION 63.24 INFORMATION

In accordance with Section 63.24(e) of the Commission's rules, 47 C.F.R. § 63.24(e), the Applicants submit the following information in support of the instant application. Information is provided responsive to the provisions of Section 63.18 of the rules, paragraphs (a) through (p), as applicable.

Information for Assignor and Assignee

(a) Name, address, and telephone number

Assignor/Authorized Carrier:

IT&E Overseas, Inc.
P.O. Box 24881
Barrigada, Guam 96921

Street Address:
122 W. Harmon Industrial Park Road
Suite 103
Tamuning, Guam 96913-4164
Tel: 671-646-8886
Fax: 671-646-4723

Assignee:

PTI Pacifica Inc.
P.O. Box 500306
Tekken Street
Susupe Village
Saipan, MP 96950
Tel: (670)682-2612
Fax: (670)235-4932

(b) Citizenship

Assignor: IT&E is a Guam corporation.

Assignee: PTI Pacifica is a CNMI corporation.

(c) Contact Information

For the Assignor:

John Borlas
President
IT&E Overseas, Inc.
P.O. Box 24881
Barrigada, Guam 96921
Tel: 671-646-8886
Fax: 671-646-4723
Email: jmborlas@ite.net

With a copy to:

Mary J. Sisak
Blooston, Mordkofsky, Dickens, Duffy & Prendergast LLP
2120 L Street, N.W., Suite 300
Washington, D.C. 20037
202-828-5554
Email: mjs@bloostonlaw.com

For the Assignee:

Kenneth D. Patrich
Timothy J. Cooney
Wilkinson Barker Knauer, LLP
2300 N Street, NW Suite 700
Washington, DC 20037
Tel: (202) 783-4141
Fax: (202) 783-5851
Email: kpatrich@wbklaw.com
tcooney@wbklaw.com

(d) International Section 214 Authorizations

The international Section 214 authorization to be assigned is held by IT&E, File No. ITC-214-19970326-00172, for global facilities-based and resold international services.

PTI holds international Section 214 authorization, File No. ITC-214-19940829-00262.

Information for Assignee

(h) Ten Percent or Greater Interest Holders

Direct Ownership:

Name: The Micronesia Telecommunications Corporation
("MTC")
Address: P.O. Box 500306
Saipan, MP 96950
Citizenship: CNMI
Principal Business: Holding Company
Percentage Held: 100%

Indirect Ownership:

Name: Pacific Telecom Inc. ("PTI")
Address: P.O. Box 500306
Saipan, MP 96950
Citizenship: CNMI
Principal Business: Holding Company
Percentage Held: 100% in MTC

Name: Prospector Investments Ltd. ("Prospector")
Address: c/o Trident Trust (Cayman) Ltd.
One Capitol Place, P.O. Box 847
Grand Cayman
Cayman Islands
Citizenship: Cayman Islands, British West Indies
Principal Business: Investments
Percentage Held: 75% in PTI

Name: Richard C. Delgado
Address: 6758 Ayala Ave.
4/F SGV II Building
Makati City
Philippines
Citizenship: Philippines
Principal Business: Investments
Percentage Held: 60% in Prospector

Name: Jose Ricardo Delgado
Address: 6758 Ayala Ave.
4/F SGV II Building
Makati City
Philippines

Citizenship Philippines
Principal Business: Investments
Percentage Held: 40% in Prospector

Name: Sumitomo Corporation
Address: 1-8-11 Harumi
 Chuo-ku
 Tokyo
 Japan

Citizenship Philippines
Principal Business: Holding company
Percentage Held: 20% in PTI⁹

No other entities hold a ten percent or greater direct or indirect interest in assignee PTI Pacifica. There are no interlocking directorates with foreign carriers.

(i) Foreign Carrier Affiliation Certification

PTI Pacifica certifies that it has no foreign carrier affiliations.

(j) Foreign Carrier and Destination Countries

PTI Pacifica certifies that upon consummation of the transaction (1) it will not be a foreign carrier, (2) it will not control any foreign carriers, (3) no entity that owns more than 25 percent of or has control of PTI Pacifica controls a foreign carrier, and (4) two or more foreign carriers (or parties that control foreign carriers) do not own, in the aggregate, more than 25 percent of PTI Pacifica.

(k) WTO Membership of Destination Countries

Not applicable.

(l),(m) Nondominant Regulatory Classification

Not applicable. As PTI Pacifica holds no foreign carrier affiliations, it is entitled to continued nondominant regulatory classification pursuant to Section 63.10(a)(1) of the rules, 47 C.F.R. § 63.10(a)(1).

⁹ As noted previously, Sumitomo Corporation's wholly-owned subsidiary, Sumitomo Corporation of America, holds the remaining 5% interest in PTI. See Appendix B.

(n) Special Concessions Certification

PTI Pacifica certifies that it has not agreed to accept special concessions directly or indirectly from any foreign power with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.

(o) Federal Benefits/Anti-Drug Abuse Act of 1988 Certification

Applicants certify pursuant to Sections 1.2001 through 1.2003 of the rules, 47 C.F.R. § 1.2001-1.2003, that no party to the application is subject to a denial of Federal Benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

(p) Eligibility for Streamlined Processing

As PTI Pacifica is not a foreign carrier and does not have any foreign carrier affiliations, the instant application qualifies for streamlined processing pursuant to Section 63.12 of the rules, 47 C.F.R. § 63.12.

V. ASSIGNMENT OF DOMESTIC SECTION 214 AUTHORITY/ACQUISITION OF ASSETS

Pursuant to Section 63.04(b) of the rules, 47 C.F.R. § 63.04(b), information responsive to Section 63.04(a)(6)-(a)(12) of the rules is provided in Exhibit A.

VI. CONCLUSION

For the foregoing reasons, Applicants request Commission consent to assignment of domestic and international Section 214 authority from IT&E to PTI Pacifica as described herein.

Respectfully submitted,

PTI PACIFICA INC.

IT&E OVERSEAS, INC.

By: /s/
Larry Knecht
Executive Vice President
PTI Pacifica Inc.
P.O. Box 500306
Tekken Street
Susupe Village
Saipan, MP 96950
Telephone: 670-234-0090
Fax: 670-234-8575
Email: larry.knecht@ptihq.com

By: /s/
John Borlas
President
IT&E Overseas, Inc.
P.O. Box 24881
Barrigada, Guam 96921
Tel: 671-646-8886
Fax: 671-646-4723
Email: jmborlas@ite.net

EXHIBIT A

Assignment of Domestic Section 214 Authority/Acquisition of Assets Information Responsive to Section 63.04(a)(6)-(a)(12) of the Rules

1. Description of Transaction (§ 63.04(a)(6))

The transaction is described in Section II of the Application.

2. Description of Geographic Service Area and Services in Each Area (§ 63.04(a)(7))

IT&E provides wireline interstate and international telecommunications services to end user customers in Guam and the CNMI. IT&E also provides broadband Internet services in Guam. PTI Pacifica provides interstate and international telecommunications services to end user customers in Guam and the CNMI.

3. Eligibility for Streamlined Processing (§ 63.04(a)(8))

Not applicable.

4. Other Related Applications (§ 63.04(a)(9))

Applicants have separately requested Commission consent to the assignment of Part 24 broadband PCS, Part 25 satellite earth station, Part 27 LMDS, and Part 101 fixed microwave licenses pursuant to Section 310(d) of the Act. Additionally, a petition has been filed seeking a declaratory ruling that it would serve the public interest under the foreign ownership provisions of Section 310(b)(4) of the Act to permit PTI Pacifica to acquire a common carrier earth station license on Guam and common carrier LMDS licenses on Guam and CNMI.

5. Statement of Imminent Business Failure (§ 63.04(a)(10))

Not applicable.

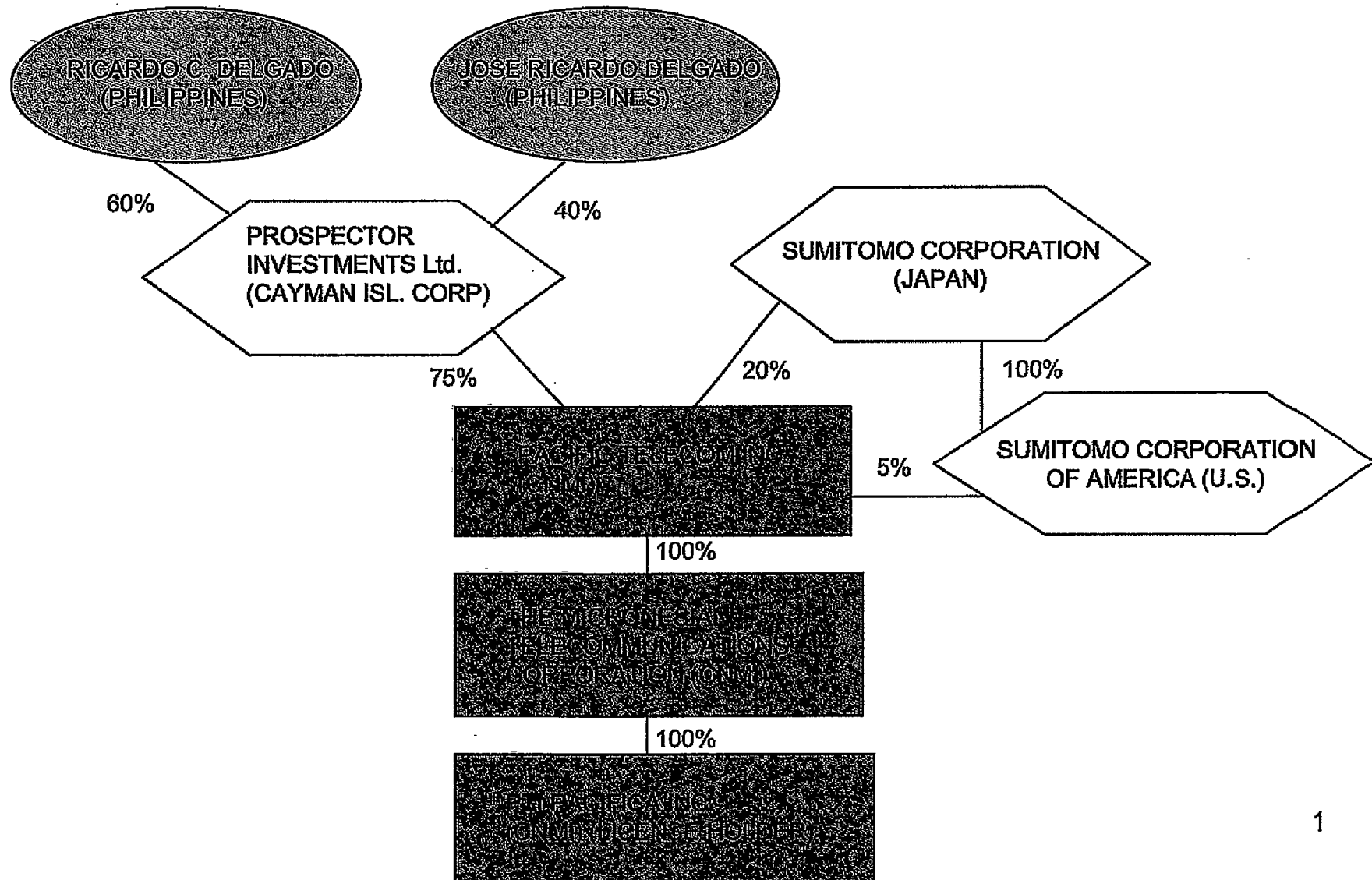
6. Separately Filed Waiver Requests (§ 63.04(a)(11))

Not applicable.

7. Public Interest Statement (§ 63.04(a)(12))

See Section III of the Application.

Pacific Telecom Inc. Ownership Structure



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April 4, 2008

Federal Communications Commission
Wireline Competition Bureau
P.O. Box 979091
St. Louis, MO 63197-9000

Re: *Application to Assign International Section 214 Authority from IT&E
Overseas, Inc. to PTI Pacifica Inc.*

To Whom It May Concern:

Attached please find an original and 5 copies of the application of IT&E Overseas, Inc., FRN 0001523125 ("IT&E"), and PTI Pacifica Inc., FRN 0004339933 ("PTI"), seeking Commission consent for the assignment of international Section 214 authority from IT&E to PTI.

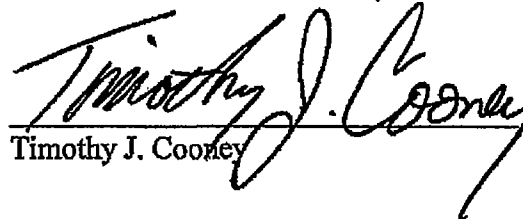
Pursuant to Section 63.04(b) of the rules, this application is submitted as a consolidated domestic and international 214 assignment application, the latter of which has been filed via the International Bureau Filing System. Enclosed is a completed FCC Form 159 and a check for \$965.00, payable to the Federal Communications Commission. Streamlined processing is requested pursuant to Section 63.12 of the rules.

Please contact the undersigned at (202) 383-3361 if there are questions concerning this application.

Respectfully submitted,

WILKINSON BARKER KNAUER, LLP

By:


Timothy J. Cooney

Enclosures

Received US Bank

APR 07 2008

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

GOVERNMENT OPERATIONS
REMITTANCE SERVICE

Approved by OMB

3060-0389

Page 1 of 1

(1) LOCKBOX# 979091		SECTION A - PAYER INFORMATION	
(2) PAYER NAME (If paying by credit card enter name exactly as it appears on the card) Wilkinson Barker Knauer, LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$965.00	
(4) STREET ADDRESS LINE NO. 1 2300 N Street, NW			
(5) STREET ADDRESS LINE NO. 2 Suite 700			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20037
(9) DAYTIME TELEPHONE NUMBER (include area code) (202) 783-4141		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0003775731		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME PTI Pacifica Inc.			
(14) STREET ADDRESS LINE NO. 1 P.O. Box 500306			
(15) STREET ADDRESS LINE NO. 2 Tekken St., Susupe			
(16) CITY Saipan		(17) STATE MP	(18) ZIP CODE 96950
(19) DAYTIME TELEPHONE NUMBER (include area code) (670) 682-2612		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0004339933		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$965.00	(27A) TOTAL FEE \$965.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE _____		DATE _____	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE _____	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)